

1 18 kilofeet in length, I do not see one which I
2 believe Verizon's requirements would allow ReachDSL
3 to fit within.

4 MR. MAHER: So I guess what changes would
5 need to occur to Verizon's offerings, setting aside
6 for the moment Cavalier's sort of specific proposed
7 language? Would it be just the question of making
8 this same -- incorporating the new standard into
9 some of their other offerings, or what would be
10 required?

11 MR. KO: Well, a reference to the standard
12 is a good start, but there is specific language
13 within each of these loop offerings below 18,000
14 feet that references aspects of the technology
15 related to power spectral density that is more
16 restrictive than T1.417 in general.

17 For instance, the two-wire ADSL-compatible
18 loop, it says in here that the upstream and
19 downstream ADSL power spectral density masks and DC
20 line power limits in Verizon TR 72575 must be met.

21 And those masks are actually considerably
22 more restrictive than the spirit of 417, even if you

1 take them within the narrow scope of, for instance,
2 spectrum management class 5, which is the class most
3 closely associated with ADSL and T1.417.

4 But more importantly than that even, I
5 think, there is no indication in any of the language
6 here that Verizon is allowing method B to be used to
7 allow technologies to be deployed on any of these
8 loops. The only references that I see are to power
9 spectral density masks or, in two specific cases, to
10 spectral management classes 1 and 2 in the reference
11 that has been updated to T1.417.

12 That's two classes out of the nine which
13 exist, and both of those classes specifically
14 reference method A rather than method B, which is
15 equivalently applicable.

16 MS. NEWMAN: I don't know if this is the
17 nature of an objection or as a point of
18 clarification, but the reason Mr. Ko hasn't seen
19 anything addressing loops under 18,000 feet is that
20 the issue as framed by Cavalier in this case, issue
21 C9, we're addressing loops over 18,000 feet.

22 So I think what the testimony just gave is

1 not relevant to what's at issue here. So I guess it
2 is an objection, but I just wanted to point that
3 out.

4 MR. LERNER: Objection noted.

5 MR. PERKINS: I guess to very briefly
6 respond to the objection, you are certainly correct
7 in that the initial issue was loops over 18,000
8 feet, but what we've been trying to do, as I
9 discussed with Ms. Clayton, was get access to the
10 full range of loops for which this product is
11 compatible.

12 So I think that's what Mr. Ko is speaking
13 to, and certainly some of it applies to loops over
14 18,000 feet, I believe.

15 MS. NEWMAN: Well, I --

16 MR. LERNER: The issues that are before us
17 are what the issues are, and we'll decide them
18 accordingly.

19 MR. MAHER: Okay.

20 Mr. Ko, then, in your -- attached to your
21 testimony was, I guess, documents indicating that
22 the customer premise equipment and the central

1 office equipment associated with this ReachDSL
2 service is consistent with what you believe is the
3 relevant standard; is that correct?

4 MR. KO: Yes, that's true.

5 MR. MAHER: Is there any other technology
6 deployed as part of this service that wasn't -- I
7 mean, are those the only two pieces of sort of
8 technology that would need to be considered in
9 conjunction with the standard, or is there anything
10 else that's used in providing this service that,
11 say, has not yet been evaluated in accordance with
12 that standard?

13 MR. KO: I don't believe so. I think
14 these are the relevant -- we have a newer version of
15 ReachDSL that I don't believe Cavalier is deploying.
16 We have reports on that as well.

17 MR. MAHER: Okay. You also had mentioned
18 in your testimony -- you had some discussion about
19 approval under part 68 of those technologies.

20 MR. KO: Yes.

21 MR. MAHER: Is that -- it was not entirely
22 clear, is the current equipment -- does the current

1 equipment have part 68 approval, or is it just a
2 prior version? What's the status of that?

3 MR. KO: Yes, the equipment referenced --
4 and this is the same -- this is the same equipment
5 that we provided the test reports for. That same
6 equipment does have part 68 approval.

7 MR. MAHER: Are you aware if this ReachDSL
8 technology has been deployed, I guess, anywhere in
9 the country?

10 MR. KO: Yes, it has been deployed, to my
11 knowledge, by over 100 telcos, independent telcos
12 and CLECs primarily, throughout the country.

13 MR. MAHER: And just any specific
14 locations or just generally throughout the country?

15 MR. KO: I --

16 MR. MAHER: If you don't know, that's
17 fine.

18 MR. KO: Yeah, I -- I'm not in sales. I
19 don't think I could speak to that.

20 MR. MAHER: Okay. Do you know if there
21 have been any interference issues with the
22 deployment of ReachDSL in any of these places where

1 it's been deployed? Or do you know?

2 MR. KO: No, I am not aware of any. I
3 have asked to be made aware of any, and I have never
4 been made aware of any.

5 MR. MAHER: This is for, I guess, the
6 Cavalier panel generally.

7 What information has Cavalier provided to
8 Verizon with respect to this ReachDSL technology, I
9 mean beyond just the pleadings in this proceeding?

10 MR. VERMEULEN: I don't believe we have
11 provided them anything.

12 MR. MAHER: I guess, Ms. Clayton, I don't
13 know if you have any further -- anything to add on
14 this issue before I go on, just to comment.

15 MS. CLAYTON: I would love to, thank you.
16 I appreciate that.

17 First of all, if we look at the language
18 for a two-wire ADSL-compatible loop, we are not
19 trying to be restrictive here in any manner, other
20 than to say that we are providing a two-wire
21 metallic loop under 18,000 feet in which a CLEC can
22 opt into conditioning options, if they feel that's

1 required on the loop that they are taking.

2 I guess one thing of interest to me is,
3 I'm not aware of any incident where Cavalier has
4 tried to order our two-wire ADSL loop under 18,000
5 feet, put their ReachDSL product over it and, for
6 some reason, it's been denied. To my knowledge,
7 that has not happened, and it would not happen.

8 There's been some criticism here about the
9 language that we use, as it relates to power
10 spectral density masks and the Verizon technical
11 reference that's in here.

12 The power spectral density mask is
13 related -- or this particular product offering is
14 related to what we call class 5 offering, so that
15 would include the ADSL, the RADSLs, the MVLs, the
16 GDOTs. You have to understand, a lot of CLECs are
17 trying to order these products, and we are trying to
18 make them as generic as possible. We are not
19 limiting them. Rather, we're trying to put them
20 into categories that would allow us to provision a
21 two-wire digital loop to the CLEC and allow them to
22 put their technology on it that they want.

1 I have purposely, in some cases, not
2 included reference to a T1E1 standard or to an ANSI
3 standard, because in some cases that can be even
4 more restrictive than we have allowed here.

5 For example, the ANSI standard, if you
6 look at SDSL in particular, would limit a CLEC
7 ordering a loop to a shorter loop length than what
8 Verizon will actually provide them if we don't
9 include that reference to the standard here.

10 So in some cases we have purposely not
11 referenced an industry standard because we don't
12 want to be more limiting to a CLEC than we feel we
13 should be.

14 So again, I challenge Cavalier, order one
15 of these loops under 18,000 feet, ask for
16 conditioning. It's available today. Put your
17 ReachDSL product on it, and try to see if that works
18 for you. If it doesn't, share your technology with
19 us or your technical specs, and we'll try to work
20 with you on our product offerings.

21 MR. MAHER: For Cavalier -- Mr. Ko, did
22 you have a comment on that?

1 MR. KO: I guess I just wanted to
2 understand better what you said, because it -- very
3 much appreciate hearing that. It is not the way I
4 read the language in that clause.

5 And by the way, the clause for
6 ADSL-compatible loop was -- I brought that up only
7 as an example. There were obviously seven or eight
8 of them in here.

9 I do read the clause as specifically
10 saying that the technology deployed must be within
11 the PSD masks shown in 72575, and those PSD masks
12 are not inclusive of something that would allow
13 ReachDSL to be deployed.

14 MS. CLAYTON: I'd be more than happy to
15 look at our technical reference. I'll be the first
16 to admit that Verizon's technical references, just
17 like our national standards, have to be updated from
18 time to time, as the industry standards are
19 approved.

20 So if you feel like the PSD masks
21 referenced in our technical reference are not
22 current or not up-to-date, or not in agreement with

1 the ANSI standard, we will take a look at those.

2 But the Verizon TR that's referenced under
3 ADSL, again, does allow CLECs to order ADSL, RADSL,
4 MVL, GDOT light, whatever their technology may be
5 under that specific class 5 loop type. That's our
6 intent. If it's language we need to work on, I
7 don't think we're that far off.

8 MS. NATOLI: Ms. Clayton, is it possible
9 that the changes that you've talked about just in
10 the last couple days with respect to the
11 specifications for the mask, is that what maybe
12 would enable them to do -- to order this for their
13 reach product?

14 Because that's what I understood. I
15 understood it was your product that exceeded 18,000
16 feet that you were having trouble with the
17 specifications for the mask in the language as
18 crafted, and that it's possible that in the last
19 couple -- we're not here to negotiate, you know,
20 what you guys have done in the last couple of days,
21 but is that why it's now possible for them to place
22 that kind of order you just said?

1 MS. CLAYTON: Well, the language that
2 we've worked on the last couple of days has been --
3 and correct me if I'm wrong -- on the SDSL
4 specifically, in which the IDSL language and the
5 proposed Cavalier ReachDSL language. We've agreed
6 to add the latest ANSI standard in those particular
7 categories.

8 Cavalier now is bringing up an issue with
9 loops under 18,000 feet, which I don't believe they
10 have done before, at least to my knowledge, and have
11 said, you know, thank you for negotiating on the
12 over 18,000. Now we have a new issue for you, it's
13 on loops under 18,000.

14 If they had that same concern with those
15 loops, just understand that those loops have been
16 available for a number of years to Cavalier.

17 MS. NATOLI: But I thought the problem was
18 that the spectral -- the spectral density mask they
19 thought they were being held to for their reach
20 product, which is over 18,000 feet would preclude
21 them from using the loop -- you said -- I thought I
22 understood you to say they can order a loop -- one

1 of our normal loops under 18,000 feet and try to do
2 whatever it is you have to do to make it possible --
3 compatible for their reach product; right?

4 MR. KO: If I can clarify, reach can be
5 deployed on both sides of that 18,000 foot line.

6 MS. NATOLI: Okay, okay. So you really --
7 you're talking about the under 18,000 feet reach
8 product at that point, when --

9 MR. KO: Yes, same -- from the standpoint
10 of the technology, it's the same product, same
11 technology, same deployment. From the standpoint of
12 an interconnection agreement, it may be different.

13 MS. NATOLI: Okay.

14 MS. CLAYTON: Yes, and the two-wire ADSL
15 language today, we do not reference the ANSI
16 standard at all. Keep in mind that the ANSI
17 standard is very specific to spectrum interference
18 issues. There are other standards, including
19 Verizon technical references, to speak to the loop
20 itself, the technology on the loop, the type of loop
21 that we actually provide to the CLEC.

22 In the language that's in place today, we

1 refer to only the Verizon technical reference, not
2 the ANSI standard or the national standard, for
3 spectrum management issues. I don't think we're
4 that far off, you know.

5 Does your -- I guess a question to
6 Cavalier: Does your reach product fit within the
7 under 18,000 two-wire ADSL offering that we have?

8 MR. KO: Speaking from a technology
9 standpoint, it fits --

10 MS. CLAYTON: Let me clarify. If we're
11 talking about a class 5, which is what this
12 particular clause is.

13 MR. KO: If I can just elaborate for a
14 moment, there are actually two classes, if you use
15 method A under T1.417, there are actually two
16 classes that are considered deployable on all loop
17 lengths, and they are class 1 and class 5. And
18 class 5 is the one most closely associated with
19 ADSL, it actually follows the -- it has PSD
20 templates that follow the ADSL upstream and
21 downstream templates, with one exception. They
22 actually in the downstream template, they actually

1 include the energy in the class 1 region, which is a
2 low frequency area, in addition to the traditional
3 ADSL downstream region, which is a higher frequency
4 area. And they have a notch in between the two,
5 which keeps that management class spectrally
6 compatible with all of the basis technologies on all
7 loop lengths.

8 ReachDSL is very close to being a class 1
9 technology, but we don't actually approve it
10 using -- excuse me. Yes. We don't actually approve
11 it using class 1 method A. We approve it using
12 method B, which is the analytical method, which
13 requires a lot more computation. It passes easily
14 under method B, because it doesn't use most of the
15 energy, that there's one very specific area where it
16 sticks out a little bit from the mask for class 1.

17 And that's why method B is there, so that
18 it's technologies which don't specifically fit one
19 of these pigeonholes can still be established as
20 spectrally compatible.

21 MS. CLAYTON: I was going to say we do
22 offer a class 1 loop today. We normally associate

1 IDSL service with a class 1 loop. Class 1 and class
2 A are both available, both loops under 18,000 feet
3 can be conditioned.

4 I don't think we're that far off in
5 language. It may be a matter of a few words, but I
6 think Cavalier's product would fit under either of
7 those existing product offerings.

8 MR. KO: I would tend to agree with that.
9 As long as the language was suitably modified. I
10 think that the intention of both of those offerings,
11 my understanding, is to accommodate technologies
12 that are considered spectrally compatible at all
13 loop lengths. And if the language could be very
14 slightly modified to be more inclusive of both
15 methods of establishing spectral compatibility, I
16 think we wouldn't have any problem at all.

17 MR. LERNER: I encourage you to continue
18 your discussions.

19 MS. NATOLI: This has been a mediation in
20 context of the arbitration.

21 (Laughter.)

22 MR. MAHER: Just a couple final issues.

1 Cavalier, have you proposed, with regard
2 to the maintenance and repair intervals for the
3 DSL-capable loops, first of all, is there some kind
4 of performance metric proceeding in Virginia that
5 sort of is an ongoing proceeding to address
6 Verizon's performance metrics?

7 MR. VERMEULEN: I don't know that it would
8 be applicable, because I would assume that metric
9 would be -- they would be measured under the
10 interval that exists today. What we're trying to do
11 is just to reduce -- to get them to match the
12 interval associated with a DS1 loop.

13 MR. MAHER: Right. I guess my question,
14 then, is if there is such a proceeding, has Cavalier
15 proposed this change in that proceeding?

16 MR. VERMEULEN: I'm not aware of a
17 proceeding.

18 MR. MAHER: Ms. Clayton, are you aware, is
19 there an ongoing performance metrics proceeding
20 still in -- or collaborative or some sort of issue
21 in Virginia?

22 MS. CLAYTON: It is my understanding that

1 there are intervals set up and metrics set up. They
2 are collaborated between Verizon, the CLECs, in some
3 cases with the commission's presence. So yes, there
4 are existing forums that would allow that type of
5 activity or request to happen.

6 MR. MAHER: Okay. And then just one final
7 question for Cavalier. In the language that
8 Cavalier has proposed, in a couple of the sections,
9 Cavalier proposes to delete the sentence "Verizon
10 will not build new copper facilities," I'm just
11 curious, what is Cavalier's intention with regard to
12 that? Is there an intention to imply that Verizon
13 would be under an obligation to build facilities, or
14 is it just --

15 MR. PERKINS: May I interject for a
16 moment? The parties discussed this with respect to
17 one provision, and it applies to all. That was an
18 accidental deletion, so that will be not pursued.

19 MR. MAHER: Okay. Well, then, I don't
20 have any other questions.

21 MS. DAILEY: Okay, I do have some
22 questions. These may be directed to counsel more

1 than to the witnesses, but let's see.

2 If the parties would look at the JDPL on
3 issue C9 that was filed last week, and go to the
4 very end of the statement of the proposed contract
5 language for each. Each party states with respect
6 to pricing, "See also section 6 of Exhibit A to the
7 proposed agreement filed" on whatever date the
8 particular party filed their proposed agreement.
9 Cavalier's was filed August 1 and Verizon's was
10 filed September 5.

11 I am going to hand out what was filed by
12 Cavalier, a portion of what was filed by Cavalier on
13 August 1 with respect to -- it's Exhibit A. This
14 has been filed in the records. I don't see any
15 reason to mark this as an exhibit.

16 Do we have witnesses that would want a
17 copy of this?

18 MS. CLAYTON: Please.

19 MS. DAILEY: Does everybody have this
20 document? I've got the cover -- this is the cover
21 sheet to the interconnection agreement, and then the
22 second page is page 158, which is the first page of

1 Exhibit A. Is that what everybody has, marked as
2 158 down at the bottom?

3 Okay, Cavalier, I want to ask you, down at
4 the bottom of page 158, there's some language that
5 is underlined, and it reads as follows. Let me ask
6 this first.

7 What does the underlining mean?

8 MR. PERKINS: It was an addition by
9 Cavalier to the language.

10 MS. DAILEY: To what language?

11 MR. PERKINS: To the language in the base
12 AT&T agreement, marked up as agreed by the parties.

13 MS. DAILEY: Okay. And the base AT&T
14 agreement came from what?

15 MR. PERKINS: I believe the arbitration in
16 CC docket numbers -- I forgot which case it is, one
17 of those three cases, 00-218, 00-249 and 00-251.

18 MS. DAILEY: So that's the Virginia
19 arbitration between Verizon and Cox, WorldCom and
20 AT&T; correct?

21 MR. PERKINS: Yes.

22 MS. DAILEY: Do you agree, Verizon?

1 MS. GRILLO: Yes.

2 MS. NEWMAN: Yes.

3 MS. DAILEY: Just for clarification, the
4 document that was filed by Verizon, I went to
5 E-docs, which is the commission's electronic filing
6 system, and the document that Verizon and AT&T filed
7 in docket number 00-251 on September 3, 2002 --
8 everybody can look at this. I mean, I'm not going
9 to pass this one out, but I would ask you to take my
10 word, and you can do this off-line.

11 For Exhibit A, there's a piece of paper
12 that says "Exhibit A to be inserted upon issuance of
13 the FCC's order in the cost phase of CC docket
14 number 00-251." So that's a piece of paper. It
15 doesn't have any prices on it, okay.

16 So my question is, where did the rates
17 that are contained in Exhibit A come from, Verizon?

18 MS. ZACHARIA: This is the same issue that
19 we talked about the other day.

20 MS. DAILEY: I know. And we don't have
21 that on the record, okay, so we're going to put it
22 on the record now.

1 MS. ZACHARIA: Fine. These are the rates
2 that we are currently charging CLECs in Virginia,
3 and they are, for all intents and purposes, the same
4 rates that were before the FCC when the FCC approved
5 the Virginia 271 case.

6 MS. DAILEY: And the source -- well,
7 actually, okay. If you will stay there, okay,
8 because we're just going to go through a few rates
9 in this agreement, and I would like for --

10 MS. NATOLI: Karen, you can sit down
11 there.

12 MS. ZACHARIA: That's okay, I can stand.
13 (Laughter.)

14 MR. PERKINS: Go ahead.

15 MS. ZACHARIA: I was going to say, I don't
16 have -- it may, depending on what your question is,
17 make sense -- go ahead with your questions.

18 MS. DAILEY: Okay.

19 MR. PERKINS: I just wanted to add one
20 thing for clarity, and that is, I think some of
21 these prices were approved by the SCC in docket PU
22 C970005; some of them were New York rates that were

1 transplanted; some of them were rates that had
2 adjustments made or were benchmarks. So they come
3 from several different sources, I think. But they
4 are the rates that Verizon generally charges CLECs
5 in Virginia.

6 MS. DAILEY: Okay. What is 97-0005?
7 That's one of my questions.

8 MR. PERKINS: That was a state corporation
9 commission proceeding.

10 MS. DAILEY: Which --

11 MR. PERKINS: The pricing, UNE pricing
12 docket. That was the final decision in April or May
13 of 1999. It may have been April 21 of 1999.

14 MS. DAILEY: All right. Now, Cavalier,
15 Mr. Perkins, footnote 1 of Cavalier's proposed
16 agreement says as follows: "All costs are subject
17 to change, pursuant to any order or decision by the
18 FCC in CC docket numbers 00-218, 00-249 and 00-251,
19 including true-up pursuant to paragraph 10 of the
20 FCC's January 17, 2001 order, FCC 0121, 16 FCC
21 record 6231, released January 19, 2001."

22 Now, my question for you is, does this

1 language mean that when -- that the charges set
2 forth in this Exhibit A, which were filed by
3 Cavalier on August 1, will all change, including the
4 prices that Cavalier is asking us to set in this
5 arbitration? Or is Cavalier -- well, can you
6 explain what that language means? Do you understand
7 my question?

8 MR. PERKINS: Yes. That language was
9 intended to have the AT&T prices bootstrapped into
10 this agreement when they came out. To the extent
11 that there's more specific pricing issues, I don't
12 know if there are really in this proceeding between
13 us and Verizon. That would probably have to be
14 discussed. But it was intended to adopt the new
15 AT&T prices.

16 MS. DAILEY: Wholesale?

17 MR. PERKINS: Yes.

18 MS. DAILEY: And therefore, any prices
19 that we set in this arbitration are intended to fill
20 any interstices in the previously-set rates that are
21 in place now in Virginia; correct?

22 MR. PERKINS: Yes.

1 MS. DAILEY: Therefore, the AT&T rates
2 will supersede all the rates; is that correct?

3 MR. PERKINS: That is Cavalier's intent,
4 yes.

5 MS. DAILEY: Just a few more questions
6 about the rates that are -- did you want to add
7 something?

8 MR. PERKINS: I just wanted to say, we
9 added this language. It has not been specifically
10 discussed between the parties, partly perhaps
11 because other portions of the agreement itself
12 provide for change in prices, so it's not locked in,
13 to the extent that other provisions might be.

14 MS. DAILEY: Okay. If we could just go
15 page by page, this won't take long, on Exhibit A.

16 I'm looking at page 170, and I don't see
17 any rates that Cavalier has stricken. On page 171,
18 I see two recurring charges for DS1 loops, which
19 have been stricken, and new rates are proposed on
20 page 171. Do you see that?

21 MR. PERKINS: Yes.

22 MS. DAILEY: Is this part of this issue

1 C9?

2 MR. PERKINS: No, that was a correction we
3 thought was needed based on the commission's order
4 in PUC97-0005.

5 MS. DAILEY: Page 172, there's some
6 additional -- some recurring charges which are
7 stricken. Is that also not part of issue C9?

8 MR. PERKINS: Correct.

9 MS. DAILEY: I don't see anything on page
10 173. I see some additions on page 174, but they are
11 not pricing issues; correct?

12 MR. PERKINS: Correct.

13 MS. DAILEY: Okay. Page 175, standard
14 digital loops. There are several recurring charges
15 on page 175 that are stricken. The first thing --
16 or excuse me, nonrecurring charges. I don't know if
17 that's what I said -- nonrecurring charges that are
18 stricken.

19 Now, these are part of this issue C9,
20 correct, from Cavalier's perspective?

21 MR. PERKINS: Yes.

22 MS. DAILEY: Okay. So is it correct that